

(Mr. CARPER) was added as a cosponsor of S. 2592, a bill to amend the Child Nutrition Act of 1966 to improve the nutrition and health of schoolchildren by updating the definition of "food of minimal nutritional value" to conform to current nutrition science and to protect the Federal investment in the national school lunch and breakfast programs.

S. 3568

At the request of Mr. BENNETT, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 3568, a bill to protect information relating to consumers, to require notice of security breaches, and for other purposes.

S. 3656

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 3656, a bill to provide additional assistance to combat HIV/AIDS among young people, and for other purposes.

S. RES. 494

At the request of Mr. SANTORUM, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. Res. 494, a resolution expressing the sense of the Senate regarding the creation of refugee populations in the Middle East, North Africa, and the Persian Gulf region as a result of human rights violations.

S. RES. 500

At the request of Mr. COCHRAN, his name was added as a cosponsor of S. Res. 500, a resolution expressing the sense of Congress that the Russian Federation should fully protect the freedoms of all religious communities without distinction, whether registered or unregistered, as stipulated by the Russian Constitution and international standards.

At the request of Mr. BROWNBACK, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. Res. 500, *supra*.

S. RES. 529

At the request of Mr. OBAMA, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. Res. 529, a resolution designating July 13, 2006, as "National Summer Learning Day".

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. LANDRIEU (for herself, Mr. KERRY, Mr. BAYH, and Mr. PRYOR):

S. 3663. A bill to amend the Small Business Act to increase the maximum amount for international trade loans, to direct the Administrator of the Small Business Administration to assign an international finance specialist, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Ms. LANDRIEU. Mr. President, the gulf coast has made good progress in rebuilding after last year's hurricanes. Our small businesses and entrepreneurs

have led the way in this recovery. As all of my colleagues know small businesses are the engines of our economy driving innovation and growth.

Following Katrina and Rita, one problem for our business owners in the gulf was that their customer bases were dispersed around the country by the storms and were slow to return. Without this revenue from their customers, many businesses struggled to make ends meet and relied upon U.S. Small Business Administration, SBA, disaster loans, insurance payouts, and in some cases, State-administered bridge loan funding to keep going.

We also have businesses that export goods and services to foreign countries. The 2,000 exporters in Louisiana, in addition to the other help available, were also able to rely on their international partners to stay in business. Their international customers showed great faith and commitment to our exporters by placing new orders after the storms.

I am introducing the Small Business International Trade Enhancements Act of 2006 to give all small businesses the opportunity to expand their operations into international markets. I am pleased to have Senator KERRY, the ranking member of the Senate Small Business Committee, as well as Senators PRYOR and BAYH, as cosponsors.

As I mentioned we have 2,000 exporters in Louisiana. However, there are many other businesses who are exporters, but they do not even realize it. They may have overseas Internet sales, or they focus operations on domestic sales, but have some international buyers as well. In fact, the Small Business Administration has stated that over 96 percent of all exporters of goods and services are small businesses.

Given the importance of these exporters to my State and to the rest of the gulf coast, I would like to improve their competitive edge in the international market and give them every resource they need to succeed. As they continue to recover, one of the main issues being faced by our small business is accessing capital. Our exporters are no different. They need help accessing export financing to cover export-related costs such as purchasing equipment, purchasing inventory, or financing production costs.

To help our small businesses access export financing, my legislation will create a gulf coast international finance specialist within SBA located in New Orleans to focus on the needs of businesses affected by Katrina and Rita. New Orleans had a finance specialist from 1998 until mid-2003, when that individual retired from the agency. SBA left the post vacant due to lack of funding. I believe it is important to locate this finance specialist in New Orleans because that is where the majority of Louisiana's exporters and export financing institutions are located. In New Orleans, this finance specialist also is in a prime location, within easy travel distance to the gulf coast sections of Mississippi and Ala-

bama—where a majority of the exporters and export financing institutions in these States are located as well.

Fifteen SBA finance specialists operate out of 100 U.S. export assistance centers administered by the Department of Commerce around the country. That is a record staffing low for this program, down from a peak of 22 finance specialists in 2000. To ensure that all smaller exporters nationwide will continue to have access to export financing, this bill establishes a floor of 16 international finance specialists. I believe this will send a signal to our exporters that, despite current budget deficits, we are committed to our exporters and want to provide them with the necessary resources to compete internationally.

Mr. President, I realize that the need for export financing is not just limited to the gulf coast. There are small businesses nationwide that are looking to find markets overseas. One tool that they can use is the SBA's international trade loan, ITL, program. International trade loans can help exporters develop and expand overseas markets; upgrade equipment or facilities; and assist exporters that are being hurt by import competition. Exporters can borrow up to \$2 million, with \$1,750,000 guaranteed by SBA.

However, as currently structured these loans are not user-friendly to lenders or borrowers and, as a result, are underutilized. Let me explain what I mean. First, the \$250,000 difference between the loan cap and the guarantee requires borrowers to take out a second SBA loan to take full advantage of the \$2 million guarantee. ITLs can only be used to acquire fixed assets and not working capital, a common need for exporters. Furthermore, ITLs do not have the same collateral or refinancing requirements as SBA 7(a) loans. Because of these issues, lenders do not use these loans.

My legislation will reduce the paperwork by increasing the maximum loan guarantee to \$2,750,000 and the loan cap to \$3,670,000 to bring it more in line with the 7(a) program. This bill also creates a more flexible ITL by setting out that working capital is an eligible use for loan proceeds, in addition to making the ITL consistent with regular 7(a) loans by allowing the same collateral and refinancing terms as with 7(a).

The SBA international trade and export loans are valuable tools for exporters but they are useless if there is no one to assist borrowers with identifying which loans are right for them. Local lending institutions that specialize in export financing can help but at a cost over less than \$2 million per year, the current group of finance specialists has obtained bank financing for more than \$10 billion in U.S. exports since 1999. The \$10 billion in export sales financed by these specialists helped to create over 140,000 new, high-paying U.S. jobs.

The Small Business International Trade Enhancements Act of 2006 is an

important first step, not just for exporters in the gulf coast, but also for small businesses nationwide who are looking to open markets overseas. I urge my colleagues to support this legislation since it will help our exporters in the gulf coast recover and also give small businesses nationwide more options when they are seeking export financing.

I thank the Chair and ask unanimous consent that a copy of the bill be printed in the RECORD, along with the accompanying material.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3663

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Business International Trade Enhancements Act of 2006”.

#### SEC. 2. DEFINITIONS.

In this Act, the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively.

#### SEC. 3. INTERNATIONAL TRADE LOANS.

(a) IN GENERAL.—Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended by striking “\$1,750,000, of which not more than \$1,250,000” and inserting “\$2,750,000 (or if the gross loan amount would exceed \$3,670,000, of which not more than \$2,000,000”.

(b) WORKING CAPITAL.—Section 7(a)(16)(A) of the Small Business Act (15 U.S.C. 636(a)(16)(A)) is amended—

(1) in the matter preceding clause (i), by striking “in—” and inserting “—”;

(2) in clause (i)—

(A) by inserting “in” after “(i)”; and

(B) by striking “or” at the end;

(3) in clause (ii)—

(A) by inserting “in” after “(ii)”; and

(B) by striking the period and inserting “; or”;

(4) by adding at the end the following:

“(iii) by providing working capital.”.

(c) COLLATERAL.—Section 7(a)(16)(B) of the Small Business Act (15 U.S.C. 636(a)(16)(B)) is amended—

(1) by striking “Each loan” and inserting the following:

“(i) IN GENERAL.—Except as provided in clause (ii), each loan”; and

(2) by adding at the end the following:

“(ii) EXCEPTION.—A loan under this paragraph may be secured by a second lien position on the property or equipment financed by the loan or on other assets of the small business concern, if the Administrator determines such lien provides adequate assurance of the payment of such loan.”.

(d) REFINANCING.—Section 7(a)(16)(A)(ii) of the Small Business Act (15 U.S.C. 636(a)(16)(A)(ii)) is amended by inserting “, including any debt that qualifies for refinancing under any other provision of this subsection” before the period.

#### SEC. 4. GULF COAST EXPORT ASSISTANCE.

(a) INCREASE IN SMALL BUSINESS INTERNATIONAL TRADE STAFF.—The Administrator shall assign 1 additional full-time international finance specialist to the Office of International Trade of the Administration.

(b) LOCATION AND SERVICE AREA.—The international finance specialist assigned under subsection (a) shall—

(1) be located in the New Orleans, Louisiana United States Export Assistance Center;

(2) help to carry out the export promotion efforts described in section 22 of the Small Business Act (15 U.S.C. 649); and

(3) provide such services in the States of Louisiana, Mississippi, and Alabama.

#### (c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Administration such sums as are necessary to carry out this section.

(2) AVAILABILITY OF FUNDS.—Amounts made available under this subsection shall remain available until expended.

#### SEC. 5. ASSIGNMENT OF EMPLOYEES OF THE OFFICE OF INTERNATIONAL TRADE.

Section 22 of the Small Business Act (15 U.S.C. 649) is amended by adding at the end the following:

“(h) In carrying out this section, the Administrator shall ensure that the number of full-time equivalent employees of the Office assigned to the one-stop shops referred to in section 2301(b) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(b)) is not less than the number of such employees so assigned on January 1, 2006.”.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### SMALL BUSINESS INTERNATIONAL TRADE ENHANCEMENTS ACT OF 2006

Exports and international trade are important to the U.S. economy and will be key to the long-term recovery of the Gulf Coast. To take advantage of increased demand for products from the Gulf Coast, particularly Louisiana and Mississippi, small businesses in the Gulf require access to export financing through the Export-Import Bank, the U.S. Small Business Administration (SBA), and in some cases, the U.S. Department of Agriculture.

The SBA employs International Finance Specialists which work with borrowers and lenders to navigate the various Federal government export financing programs.

Problem #1: Gulf Coast Export Financing Needs. Despite the increased need for export financing in the Gulf Coast, there is currently no International Finance Specialist located in any of the hardest hit states of Mississippi, Alabama and Louisiana. Instead there is one specialist in Texas with responsibility for Texas, Oklahoma, Arkansas and Louisiana and one specialist in Georgia responsible for Georgia, Alabama, Kentucky, Tennessee, and Mississippi. Due to the extensive territories they cover and limited travel budgets of the staff, these specialists must divide their time and cannot focus on the needs of Gulf Coast small businesses.

It is essential to have a Finance Specialist located on the Gulf Coast with a responsibility for the Gulf Coast.

Problem #2: Staff Reductions for SBA International Finance Specialists. At a cost of less than \$2 million per year, the current group of Finance Specialists has obtained bank financing for more than \$10 billion in U.S. exports since 1999. The \$10 billion in export sales financed by these specialists helped to create over 140,000 new, high-paying U.S. jobs. Despite these figures, this program is experiencing record staffing lows.

In particular, there are over 100 U.S. Export Assistance Centers nationwide, however as of July 10, 2006 there were only 15 Finance Specialists nationwide. This figure is the lowest staff levels ever for the program and is down from a peak of 22 Finance Specialists in January 2000.

Problem #3: International Trade Loan Program. The SBA's International Trade Loan (ITL) program is used by exporters to expand or develop markets, upgrade equipment or facilities to improve competitive position, or to assist exporters currently hurt by import

competition. As currently structured, however, ITLs are not user friendly or relevant. This is because, with a maximum guarantee amount of \$1.75 million and loan cap of \$2 million, ITLs require the SBA to make a second loan to the borrower to make use of the maximum guarantee. These loans are also restricted for use for only fixed assets and not working capital, which is a common need for exporters.

The Landrieu Small Business International Trade Enhancements Act of 2006 addresses these problems:

Gulf Coast International Finance Specialist: To help our small businesses access export financing, this bill provides for an International Finance Specialist in the New Orleans who would be responsible for Louisiana, Mississippi, and Alabama.

International Trade Loans: To make this loan program more responsive, this bill increases the maximum loan guarantee amount to \$2.75 million and specifies that the loan cap for ITLs is \$3.67 million, as well as sets out that working capital is an eligible use for loan proceeds. The bill also makes ITLs consistent with regular SBA 7(a) loans in terms of allowing the same collateral and refinancing terms as with regular 7(a) loans.

Stop International Finance Specialist Downsizing: To ensure that all smaller exporters nationwide will continue to have access to export financing, this bill establishes a floor of 16 International Finance Specialists.

By Ms. LANDRIEU (for herself,  
Mr. KERRY, Mr. BAYH, and Mr.  
PRYOR):

S. 3664. A bill to amend the Small Business Act to improve assistance after a major disaster, to authorize emergency bridge loans, bridge loan guarantees, and recovery grants, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Ms. LANDRIEU. Mr. President, as we all know, there was a tremendous amount of criticism of the Federal Government's response to Hurricanes Katrina and Rita last year. Things are better now and the region is slowly recovering. But we are in the second month of another hurricane season and we must be sure that if we have another disaster, the Federal Government's response will be better this time around. Disaster response agencies have to be better organized, more efficient, and more responsive in order to avoid the problems, the delays, mismanagement, and the seeming incompetence that occurred last year.

Today, I am introducing legislation to improve the disaster response of one agency that had a great deal of problems last year, the Small Business Administration, SBA. While it did improve during the course of the months after the storm, it became clear to me that SBA needs additional tools for future disasters. SBA approached Katrina and the massive floods after the storm, using the same tools that it uses for much smaller, much less damaging disasters. I do not blame all of the people who work at this agency for the problems we saw in the gulf. They found themselves in a system that was insufficient to address this disaster.

My legislation, the Small Business Disaster Recovery Assistance Improvements Act of 2006, offers new tools to

enhance SBA's disaster assistance programs. In every disaster, the SBA Disaster Loan program is a lifeline for businesses and homeowners who want to rebuild their lives after a catastrophe. When Katrina hit, our businesses and homeowners had to wait months for loan approvals. I do not know how many businesses we lost because help did not come in time. Because of the scale of this disaster, what these businesses needed was immediate, short-term bridge loans to hold them over until SBA was ready to process the tens of thousands of loan applications it received.

That is why this legislation provides the SBA Administrator with the ability to make emergency bridge loans of up to \$150,000 to affected small businesses in a declared disaster area. These bridge loans will allow businesses to make payroll, begin making repairs, and address other immediate needs while they are awaiting insurance payouts or regular SBA disaster loans. However, I realize that every disaster is different and could range from a disaster on the scale of Hurricane Katrina or 9/11, to an ice storm or drought. My legislation gives the SBA additional options and flexibility in the kinds of relief they can offer a community. When a tornado destroys 20 businesses in a small town in the Midwest, SBA can get the regular disaster program up and running fairly quickly. You may not need bridge loans in this instance. But if you know that SBA's resources would be overwhelmed by a storm—just as they were initially with Katrina—bridge loans would be very helpful.

My legislation also would expedite disaster loans for those businesses in a disaster area that have a good, solid track record with the SBA or can provide vital recovery efforts. We had many businesses in the gulf coast that had paid off previous SBA loans, were major sources of employment in their communities, but had to wait months for decisions on their disaster loan applications. I do not want to get rid of the SBA's current practice of reviewing applications on a first-come-first-served basis, but there should be some mechanism in place for major disasters to get expedited loans out the door to specific businesses that has a positive record with SBA or those that could serve a vital role in the recovery efforts. Expedited loans would jumpstart impacted economies, get vital capital out to businesses, and retain essential jobs following future disasters.

We had a lot of small business owners in the gulf coast who did not qualify for SBA disaster loans, or may not have had enough insurance to cover their losses. These people usually have to expend their personal finances or seek out small grants from non-profits to keep going. My legislation authorizes a small business disaster grant program to provide small grants of up to \$25,000 to businesses that are not able to get access to get other assist-

ance. These grants will only go to business owners that certify their intent to reopen in the disaster area and pursue technical assistance to continue their operations.

Following Katrina, it is clear that disaster loan amounts need to be updated to reflect current business needs and the average cost of housing today. The bill raises the cap on SBA disaster loans for businesses from \$1.5 million to \$2.25 million; the cap on SBA personal property loans from \$40,000 to \$50,000; and the cap on real property homeowner loans from \$200,000 to \$250,000.

This bill also makes an important modification to the collateral requirements for disaster loans. The SBA cannot disburse more than \$10,000 for an approved loan without showing collateral. This is to limit the loss to the SBA in the event that a loan defaults. However, this disbursement amount has not been increased since 1998 and these days, \$10,000 is not enough to get a business up and running.

I was surprised to learn that the SBA did not have a full-time disaster planner on board before Katrina, nor did it have a comprehensive disaster response plan in place. While SBA is not a first-responder disaster agency like FEMA, they do hit the ground within days of a disaster strike. As the only Federal nonagricultural disaster lender, SBA should have an analytical, proactive plan in place to respond to disasters.

I pushed to get language in the recent hurricane supplemental appropriations bill to require SBA to develop a disaster plan and report to Congress on its contents by July 15, 2006. I look forward to this report. But writing a plan and making it work are two different things. SBA needs a full-time staff in place to ensure that this plan is implemented properly. My legislation directs the SBA to hire a full-time disaster planner to maintain this disaster response plan and to assist the SBA with its overall disaster preparedness, including coordination with other disaster response agencies like FEMA.

As we reflect next month on the 1-year anniversary of the worst natural disaster to hit our nation, now is the time for action—not words or empty promises. I want to be able to go back to my constituents and reassure them that if, God forbid, another natural disaster should hit my state or another part of the country, that the Small Business Administration is better prepared and more responsive to the needs of those impacted.

The Small Business Disaster Recovery Assistance Improvements Act will provide essential tools to make the SBA more proactive, flexible, and most important, more efficient during future disasters. In the coming weeks, I look forward to working with both Chairwoman SNOWE and Ranking Member KERRY on the Senate Small Business Committee to ensure that the SBA has everything it needs to meet these goals.

Mr. President, I am pleased to be joined on this legislation by the ranking member of the Small Business Committee, Senator KERRY, as well as my colleagues from the Small Business Committee, Senators PRYOR and BAYH. We urge our other colleagues to support this important legislation.

I thank the Chair and ask unanimous consent that a copy of the bill be printed in the RECORD, along with the accompanying materials.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3664

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Disaster Recovery Assistance Improvements Act of 2006".

#### SEC. 2. FINDINGS.

Congress finds that—

(1) 43 percent of businesses that close following a natural disaster never reopen;

(2) an additional 29 percent of businesses close down permanently within 2 years of a natural disaster;

(3) businesses affected by a natural disaster require, within the first 60 days following the disaster, immediate access to capital and technical assistance to fully recover and prosper;

(4) in the aftermath of Hurricanes Katrina and Rita of 2005, due to initial Administration response issues, as well as extensive destruction in the region and wide distribution of affected business owners around the country—

(A) Administration loan approvals took longer than 3 months, on average, for homeowner disaster loans, and longer than 2 months, on average, for business disaster loans; and

(B) closings on disaster loans added an additional month to the process;

(5) the Administration requires new tools and authority to be more effective in responding to major disasters and to be responsive to the needs of affected small business concerns and homeowners;

(6) for major disasters, State-administered bridge loan programs can serve as an effective means of providing immediate capital, to allow businesses to make repairs, make payroll, and continue operations, as demonstrated by the fact that—

(A) following the 2004 hurricanes in Florida, the Florida State Bridge Loan Program was a successful program in providing immediate capital to struggling businesses, providing 1,679 small business concerns with \$35,400,000 in bridge loans;

(B) following the 2005 impacts of Hurricanes Katrina and Rita on the Louisiana Gulf Coast, the Louisiana Bridge Loan Program was a successful program in providing immediate capital to struggling businesses, providing 407 small business concerns with \$9,750,000 in bridge loans;

(C) following the 2005 impact of Hurricane Katrina on the Mississippi Gulf Coast, the Mississippi Bridge Loan Program was a successful program in providing immediate capital to struggling businesses, providing 464 small business concerns with \$11,233,850 in bridge loans; and

(D) following the 2005 impact of Hurricane Wilma on the Florida Gulf Coast, the Florida State Bridge Loan Program was a successful program in providing immediate capital to struggling businesses, providing 593 small business concerns with \$12,900,000 in bridge loans;

(7) in the aftermath of Hurricane Katrina of 2005 and Hurricane Rita of 2005, small business development centers had difficulties entering and utilizing disaster recovery centers of the Administration, resulting in delays of technical assistance service to affected businesses; and

(8) there is a need for greater cooperation between the Federal Government and State governments on bridge loans programs to respond to major disasters.

### SEC. 3. DEFINITIONS.

In this Act—

(1) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term “approved State Bridge Loan Program” means a State Bridge Loan Program approved under section 5(b);

(3) the term “major disaster” has the meaning given the term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122);

(4) the term “small business concern” has the meaning given the term in section 3 of the Small Business Act; and

(5) the term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any territory or possession of the United States.

### SEC. 4. EMERGENCY BRIDGE LOANS AND GRANTS AFTER MAJOR DISASTERS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (3) the following:

“(4) EMERGENCY BRIDGE LOANS AND BUSINESS RECOVERY GRANTS AFTER MAJOR DISASTERS.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the term ‘disaster area’ means an area for which a major disaster was declared, during the period of such declaration; and

“(ii) the term ‘major disaster’ has the meaning given the term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122).

“(B) BRIDGE LOANS.—

“(i) DEFINITION.—In this subparagraph, the term ‘qualified small business concern’ means a small business concern—

“(I) located in a disaster area; and

“(II) that is directly adversely affected by the major disaster for which such disaster area was declared.

“(ii) LOAN AUTHORITY.—The Administrator shall make such loans under this subparagraph (either directly (including through a district office of the Administration located in a disaster area) or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator determines appropriate to a qualified small business concern, to provide assistance until such small business concern is able to obtain funding through insurance claims, other Federal assistance programs, or other sources, based on such criteria as the Administrator may set by rule, regulation, or order.

“(iii) LOAN TERMS.—

“(I) PREPAYMENT.—A loan under this subparagraph may have no prepayment penalty.

“(II) INTEREST.—For not more than 6 months after the date on which a loan is made under this subparagraph, the interest rate on such a loan may be the same as for a loan under paragraph (2).

“(III) TRANSFER.—A loan under this subparagraph may include as a term that such loan may be transferred to a local bank or other financial institution in a disaster area.

“(IV) TECHNICAL ASSISTANCE.—The borrower for a loan under this subparagraph

shall certify the intent of such borrower to participate in technical assistance consultation (either with a local small business development center or other technical assistance group approved by the Administrator) before the borrower may utilize funds received under the loan.

“(iv) USE OF FUNDS.—A loan under this subparagraph may be used for—

“(I) paying salaries, bills, and other existing financial obligations;

“(II) making minor repairs;

“(III) purchasing inventory; or

“(IV) paying other costs.

“(v) MAXIMUM AMOUNT.—Notwithstanding any other provision of law, the Administrator may make a loan under this subparagraph of not more than \$150,000 to a qualified small business concern.

“(vi) DEFERRED PAYMENT.—

“(I) IN GENERAL.—The Administrator, or a bank or other lending institution, may defer payments of principal and interest on a loan under this subparagraph for not more than 180 days after the date on which the loan is made.

“(II) CAPITALIZATION OF INTEREST.—If payments are deferred under subclause (I), any interest accrued during the period for which such payments are deferred shall be capitalized.

“(vii) NOTICE TO BORROWERS.—In making any loan under this subparagraph—

“(I) the borrower shall be made aware that such loans are for those directly adversely affected by the major disaster; and

“(II) if such loans are made in cooperation with a bank or other lending institution, the lender shall document for the Administrator how the borrower was directly adversely affected by the major disaster.

“(viii) REPORTS.—

“(I) INSPECTOR GENERAL.—For any major disaster, not later than 6 months after the date on which such disaster is declared, and every 6 months thereafter until the date that is 18 months after the date on which such disaster is declared, the Inspector General of the Administration shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding loans described in clause (vii)(II), including verification that the program is being administered appropriately and that such loans are being used for purposes authorized by this subparagraph.

“(II) GAO.—Not later than 12 months after the date on which a final report for a major disaster is submitted by the Inspector General under subclause (I), the Comptroller General of the United States shall conduct a review of the loan program authorized under this subparagraph and submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives containing the findings of the review and any recommendations.

“(C) BUSINESS RECOVERY GRANTS.—

“(i) DEFINITION.—In this subparagraph, the term ‘eligible small business concern’ means a small business concern—

“(I) directly adversely affected by a major disaster;

“(II) that has been declined for other assistance under this subsection and from private lending institutions and State-provided bridge loans;

“(III) that certifies that it intends—

“(aa) to reopen in the disaster area for which the major disaster described in subclause (I) was declared; and

“(bb) to participate in technical assistance consultation (either with a local small business development center or other technical

assistance group approved by the Administrator).

“(ii) AUTHORIZATION.—The Administrator shall make such grants under this subparagraph as the Administrator determines appropriate to an eligible small business concern, to assist such small business concern in recovery from a major disaster.

“(iii) MAXIMUM AMOUNT.—The Administrator may make a grant in an amount not more than \$25,000 under this subparagraph.

“(iv) DOCUMENTATION OF TECHNICAL ASSISTANCE.—An eligible small business concern receiving a grant under this subparagraph shall submit to the Administrator documentation indicating that such small business concern received technical assistance support through a small business development center or other technical assistance provider determined appropriate by the Administrator.

“(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administration such sums as are necessary to carry out this paragraph.”.

### SEC. 5. STATE BRIDGE LOAN GUARANTEE.

(a) AUTHORIZATION.—After issuing guidelines under subsection (c), the Administrator may guarantee loans made under an approved State Bridge Loan Program.

(b) APPROVAL.—

(1) APPLICATION.—A State desiring approval of a State Bridge Loan Program shall submit an application to the Administrator at such time, in such manner, and accompanied by such information as the Administrator may require.

(2) CRITERIA.—The Administrator may approve an application submitted under paragraph (1) based on such criteria as the Administrator may establish under this section.

(c) GUIDELINES.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Administrator shall issue to the appropriate economic development officials in each State, the Committee on Small Business and Entrepreneurship of the Senate, and the Committee on Small Business of the House of Representatives, guidelines regarding approved State Bridge Loan Programs.

(2) CONTENTS.—The guidelines issued under paragraph (1) shall—

(A) identify appropriate uses of funds under an approved State Bridge loan Program;

(B) set terms and conditions for loans under an approved State Bridge loan Program;

(C) address whether—

(i) an approved State Bridge Loan Program may charge administrative fees; and

(ii) loans under an approved State Bridge Loan Program shall be disbursed through local banks and other financial institutions; and

(D) establish the percentage of a loan the Administrator will guarantee under an approved State Bridge Loan Program.

### SEC. 6. AUTHORITY TO MAKE EXPEDITED 7(A) DISASTER LOANS TO SMALL BUSINESS CONCERNS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(32) EXPEDITED LOANS.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the term ‘disaster area’ means an area for which a major disaster was declared, during the period of such declaration;

“(ii) the term ‘major disaster’ has the meaning given the term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122); and

“(iii) the term ‘essential small business concern in good standing’ means a small

business concern that the Administrator, in consultation with appropriate officials in district offices of the Administration determines has the ability to repay the subject loan, and—

“(I) is in good standing and has a history of compliance with the terms of a program of the Administration (including having repaid, or being in the process of repaying, a loan under a program of the Administration, as required under the terms of such loan); or

“(II) has a bona fide reason for receiving an expedited loan under this paragraph (including being a major source of employment in a disaster area or essential to economic recovery of the area, such as by supplying building materials, housing, or debris removal services).

“(B) **LOAN AUTHORIZATION.**—Notwithstanding any other provision of law, the Administrator may make a loan under this subsection to an essential small business concern in good standing under expedited procedures, including expedited loss verification, loan processing, and approval.

“(C) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator, such sums as are necessary to carry out this paragraph.”.

#### **SEC. 7. MAXIMUM LOAN AMOUNTS.**

(a) **IN GENERAL.**—Section 7(a)(3)(A) of the Small Business Act is amended by striking “\$1,500,000 (or if the gross loan amount would exceed \$2,000,000)” and inserting “\$2,250,000 (or if the gross loan amount would exceed \$3,000,000)”.

(b) **DISASTER LOANS.**—Section 7(c)(6) of the Small Business Act (15 U.S.C. 636(c)(6)) is amended—

(1) by striking “\$500,000” each place such term appears and inserting “\$2,250,000”;

(2) by striking “\$100,000” and inserting “\$250,000”; and

(3) by striking “\$20,000” and inserting “\$50,000”.

(c) **CONFORMING AMENDMENT.**—Chapter I of the Emergency Supplemental Appropriations for Relief From the Major, Widespread Flooding in the Midwest Act of 1993 (Public Law 103-75; 107 Stat. 740) is amended by striking “: Provided further, That notwithstanding any other provision of law, the \$500,000 limitation on the amounts outstanding and committed to a borrower provided in paragraph 7(c)(6) of the Small Business Act shall be increased to \$1,500,000 for disasters commencing on or after April 1, 1993”.

#### **SEC. 8. INCREASING COLLATERAL REQUIREMENTS.**

Section 7(c)(6) of the Small Business Act (15 U.S.C. 636(c)(6)) is amended by striking “\$10,000” and inserting “\$20,000”.

#### **SEC. 9. CATASTROPHIC REGIONAL OR NATIONAL DISASTERS.**

Section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) is amended—

(1) by redesignating subparagraphs (A), (B), (C), and (D) as clauses (i), (ii), (iii), and (v), respectively;

(2) by striking “(2) to make such loans” and inserting “(2)(A) to make such loans”;

(3) in subparagraph (A), as so designated by this section—

(A) by striking “or” at the end of each of clauses (i), (ii), and (iii), as so redesignated by paragraph (1) of this section;

(B) by inserting after clause (iii), as so redesignated by paragraph (1) of this section, the following:

“(iv) a catastrophic regional or national disaster, as declared by the Secretary of Homeland Security, that is an actual or potential high-impact event that requires a coordinated and effective response by an appropriate combination of Federal, State, local, tribal, nongovernmental, or private-sector entities in order to save lives and minimize

damage and provide the basis for long-term community recovery and mitigation activities; or”;

(C) in clause (v), as so redesignated by paragraph (1) of this section, by striking “subparagraph (A), (B), or (C)” and inserting “clause (i), (ii), (iii), or (iv)”;

(4) by adding at the end the following:

“(B) Notwithstanding subsection (c)(6), in the case of a catastrophic regional or national disaster declared under subparagraph (A)(iv) of this paragraph, the Administrator may increase the maximum amount that may be outstanding and committed to borrower under this paragraph to \$10,000,000.”.

#### **SEC. 10. FULL-TIME DISASTER PLANNING STAFF.**

(a) **INCREASE IN SMALL BUSINESS ADMINISTRATION FULL-TIME DISASTER PLANNING STAFF.**—The Administrator shall hire a full-time disaster planning specialist in the Office of Disaster Assistance of the Administration.

(b) **RESPONSIBILITIES.**—The disaster planning specialist hired under subsection (a) shall be responsible for—

(1) creating and maintaining the comprehensive disaster response plan of the Administration;

(2) ensuring in-service and pre-service training procedures for the disaster response staff of the Administration;

(3) coordinating Administration training exercises, including mock disaster responses, with other Federal agencies; and

(4) other responsibilities, as determined by the Administrator.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are authorized to be appropriated to the Administration such sums as are necessary to carry out this section.

(2) **AVAILABILITY OF FUNDS.**—Amounts made available under this section shall remain available until expended.

#### **SEC. 11. ADDITIONAL AUTHORITY FOR DISTRICT OFFICES OF THE ADMINISTRATION.**

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (4), as added by this Act, the following:

“(5) **USE OF DISTRICT OFFICES.**—In the event of a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), the Administrator may authorize a district office of the Administration to process loans under paragraph (1) or (2).”.

#### **SEC. 12. ECONOMIC INJURY DISASTER LOANS TO NONPROFITS.**

(a) **IN GENERAL.**—Section 7(b)(2)(A) of the Small Business Act, as redesignated by this Act, is amended—

(1) in the matter preceding clause (i)—

(A) by inserting after “small business concern” the following: “, private nonprofit organization,”; and

(B) by inserting after “the concern” the following: “, organization,”; and

(2) in clause (v), by inserting after “small business concerns” the following: “, private nonprofit organizations.”.

(b) **CONFORMING AMENDMENT.**—Section 7(c) of the Small Business Act (15 U.S.C. 636(c)) is amended in paragraph (5)(C), by inserting “, organization,” after “business”.

#### **SEC. 13. SMALL BUSINESS DEVELOPMENT CENTER PORTABILITY GRANTS.**

Section 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4), as amended by this Act, is amended by adding at the end the following:

“(E) **WAIVER OF MAXIMUM AMOUNT.**—In the event of a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), the Administrator may

waive the maximum amount of \$100,000 for grants under subparagraph (C)(viii), and such grants shall be made available for small business development centers assisting small business concerns adversely affected by such major disaster.”.

#### **SEC. 14. DISASTER LOAN PROGRAM MONTHLY ACCOUNTING REPORT.**

(a) **DEFINITION.**—In this section, the term “applicable period” means the period beginning on the date on which the President declares a major disaster and ending on the date that is 30 days after the later of the closing date for applications for physical disaster loans for such disaster and the closing date for applications for economic injury disaster loans for such disaster.

(b) **REPORT TO CONGRESS.**—Not later than the 5th business day of each month during the applicable period for a major disaster, the Administrator shall provide to the Committee on Small Business and Entrepreneurship and the Committee on Appropriations of the Senate and to the Committee on Small Business and the Committee on Appropriations of the House of Representatives a report on the operation of the disaster loan program authorized under section 7 of the Small Business Act (15 U.S.C. 636) for such disaster during the preceding month.

(c) **CONTENT OF REPORTS.**—Each report under subsection (b) shall include—

(1) the daily average lending volume, in number of loans and dollars, and the percent by which each category has increased or decreased since the previous report under subsection (b);

(2) the weekly average lending volume, in number of loans and dollars, and the percent by which each category has increased or decreased since the previous report under subsection (b);

(3) the amount of funding spent over the month for loans, both in appropriations and program level, and the percent by which each category has increased or decreased since the previous report under subsection (b);

(4) the amount of funding available for loans, both in appropriations and program level, and the percent by which each category has increased or decreased, noting the source of any additional funding;

(5) an estimate of how long the available funding for such loans will last, based on the spending rate;

(6) the amount of funding spent over the month for staff, along with the number of staff, and the percent by which each category has increased or decreased since the previous report under subsection (b);

(7) the amount of funding spent over the month for administrative costs, and the percent by which such spending has increased or decreased since the previous report under subsection (b);

(8) the amount of funding available for salaries and expenses combined, and the percent by which such funding has increased or decreased, noting the source of any additional funding; and

(9) an estimate of how long the available funding for salaries and expenses will last, based on the spending rate.

#### **SEC. 15. DISASTER LOANS AFTER MAJOR DISASTERS.**

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (5), as added by this Act, the following:

“(6) **AUTHORITY FOR LENDERS TO PROCESS DISASTER LOANS.**—The Administrator may enter into an agreement with a qualified lender, as determined by the Administrator, to process loans under this section, under which the Administrator shall pay the lender a fee for each loan processed.

“(7) AUTHORITY FOR THE ADMINISTRATOR TO CONTRACT WITH LENDERS FOR LOAN LOSS VERIFICATION SERVICES.—The Administrator may enter into an agreement with a qualified lender or loss verification professional, as determined by the Administrator, to verify losses for loans under this section, under which the Administrator shall pay the lender or verification professional a fee for each loan for which such lender or verification professional verifies losses.”.

#### SEC. 16. WAIVER OF GEOGRAPHIC RESTRICTIONS ON SBDC COUNSELORS.

Section 21(b) of the Small Business Act (15 U.S.C. 648(b)) is amended by adding at the end the following:

“(4) WAIVER OF GEOGRAPHIC RESTRICTIONS ON SBDC COUNSELORS.—

“(A) IN GENERAL.—The Administrator shall authorize any small business development center, regardless of location, to provide advice, information, and assistance, as described in subsection (c), to a small business concern located in an area in which the President declared a major disaster (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), during the period of such declaration.

“(B) CONTINUITY OF SERVICES.—A small business development center that provides counselors to an area described in subparagraph (A) shall, to the maximum extent practicable, ensure continuity of services in the State it currently serves.

“(C) ACCESS TO DISASTER RECOVERY FACILITIES.—For purposes of providing recovery assistance under this paragraph, the Administrator shall permit small business development center personnel to use any site or facility designated by the Administration for use for such purpose.”.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### SMALL BUSINESS DISASTER RECOVERY ASSISTANCE IMPROVEMENTS ACT OF 2006

**Bridge Loans and Grants:** For future major disasters, the bill provides the SBA Administrator the authority to make up to \$150,000 in emergency bridge loans or \$25,000 in emergency grants to affected small businesses in a declared disaster area. The bridge loans and grants would allow businesses to make payroll, begin making repairs, and address other immediate needs while they are awaiting insurance payouts or SBA disaster loans. As part of receiving these bridge loans or grants, affected businesses would be required to seek technical assistance.

**State Bridge Loan Guarantee:** This bill requires that the SBA Administrator issue guidelines on an SBA-approved State bridge loan program for future disasters. Once the guidelines are issued, states may then submit their bridge loan programs for approval to receive SBA guarantee assistance on bridge loans in the event of a disaster. The program rewards states that are prepared well-before future disasters strike and could be in place before the end of the current Hurricane season.

**Expedited 7(a) Disaster Loans:** Many affected businesses in the Gulf Coast had repaid previous SBA loans yet despite being in good standing with the SBA, were required to wait months for disaster loan decisions. Other affected businesses were major sources of employment in their areas or could provide substantive assistance to recovery efforts but were also made to wait months for SBA loans. This bill provides expedited SBA disaster loans to businesses that are in good standing with the SBA or those who can provide unique assistance to recovery efforts. These expedited loans would jump-start impacted economies, get vital capital to businesses, and retain essential jobs following future disasters.

**Increased Caps on Disaster Loans:** The bill would raise the cap on business Disaster Loans from \$1.5 million to \$2.25 million. It would also raise the cap on Personal Property homeowner disaster loans from \$40,000 to \$50,000 and the cap on Real Property homeowner disaster loans from \$200,000 to \$250,000.

**Lender Assistance for Loss Verification/Loan Processing:** The bill gives the Administrator permanent authority to enter into agreements with local banks and other lenders to help address the SBA loss verification and loan processing backlog for future disasters.

**Increased Collateral Requirements:** Currently, the SBA cannot disburse more than \$10,000 on an approved loan before requiring additional collateral. This is to limit the loss to the SBA in the event that a loan defaults, but is an added protection for the SBA because before loans are approved; the SBA reviews the borrower's ability to repay the loan in question. To help loan disbursement for future disasters, the bill would increase this collateral requirement to \$20,000 to borrowers who have been approved for SBA disaster loans.

**Increased Disaster Loan Caps for Catastrophic Regional or National Disaster:** The bill provides that, for a disaster designated by the Secretary of Homeland Security as a catastrophic regional or national disaster, that SBA Administrator may increase the maximum Disaster Loan amount to \$10 million.

**Additional Authority for SBA District Offices:** Following Hurricanes Katrina and Rita, the SBA struggled to handle increased loan volume created by the disasters. Months after Katrina first hit, the SBA authorized District Offices to process disaster loans, which greatly reduced the existing loan backlog in the span of a month. For major future disasters, the bill authorizes the Administrator to allow District Offices to process all business disaster loans.

**Small Business Development Center Assistance:** The bill addresses many problems experienced by Gulf Coast Small Business Development Centers (SBDCs) following Hurricanes Katrina and Rita. First, these SBDCs had to apply for multiple portability grants and then had to wait months for this funding. This bill allows the Administrator to waive the \$100,000 cap on SBDC portability grants following a disaster which would allow SBA to quickly provide more funds to SBDCs, rather than requiring them to apply for multiple portability grants. The bill also allows other SBDCs to provide assistance in declared disaster areas by allowing them to travel beyond their traditional geographic boundaries. Lastly, since many Gulf Coast SBDCs had trouble accessing Federal Disaster Recovery Centers to provide business counseling, which caused extended delays in business counseling services, the bill directs the SBA Administrator to permit SBDC staff into these recovery centers for future disasters.

**Improved SBA Accountability:** The bill directs the SBA, for future major disasters, to provide a monthly report to Congress on the disaster loan program (loan volume, loan averages, funding available, etc.) to prevent the SBA Disaster Loan program from running out of money.

**Loans to Non-Profits:** Allows SBA to make loans to non-profits that are located or operating in a disaster area.

**Full-Time Disaster Planning Staff:** The SBA had neither a comprehensive disaster response plan nor full-time planning staff in place for Hurricane Katrina. As a result, the SBA's disaster response was plagued by mismanagement, delays, and a lack of flexibility which left borrowers waiting between two to four months for initial loss inspections and four to eight months for decisions on their loan applications. As part of the recent Hur-

ricane Supplemental Appropriations bill, SBA was tasked with drafting up a comprehensive disaster response plan but they still do not have a full-time planner on board to ensure that this plan is implemented or that it is updated following future disasters. This bill directs the SBA to hire a full-time disaster planner to maintain this disaster response plan and to assist with SBA disaster preparedness for future disasters.

By Mr. NELSON of Florida:

S. 3666. A bill to amend the Florida National Forest Land Management Act of 2003 to authorize the conveyance of an additional tract of National Forest System land under that Act, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. NELSON of Florida. Mr. President, I rise today to introduce legislation that helps the U.S. Forest Service protect sensitive and precious forest by selling developed land in Leon County, FL, in order to purchase at-risk land in the heart of our national forests.

Specifically, this bill allows for the sale of tract W-1979, which is 114 acres in Tallahassee, the proceeds of which are specifically designated to purchase private inholdings in the Apalachicola National Forest. The Forest Service believes that W-1979 has lost its national forest character and is unmanageable. The land will be sold to Leon County, where it will help the continued advancement of Blueprint 2000, a series of community initiatives to improve Tallahassee and Leon County. By selling this land on the outskirts of the Apalachicola National Forest, the U.S. Forest Service can acquire precious land deep in the forest that could be lost to development.

This legislation also gives the U.S. Forest Service in Florida the same flexibility to manage lands and capital that it has in many other states. Previously, whenever National Forest land was sold, the funds could only be used to purchase more land, while many important infrastructure projects went undone. With passage of this bill, proceeds only from the sale of “non-green” lands can go towards capital improvements, such as administrative facilities that help the Forest Service manage the Ocala, Apalachicola and Osceola National Forests. These non-green lands have already been developed with urban improvements, and no longer align with the goals of the U.S. Forest Service.

Congressmen CRENSHAW and BOYD have introduced similar legislation in the House of Representatives. I hope that we can quickly pass these bills and help Leon County and the Forest Service.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3666

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*



**SECTION 1. CONVEYANCES UNDER FLORIDA NATIONAL FOREST LAND MANAGEMENT ACT OF 2003.**

(a) ADDITIONAL CONVEYANCE AUTHORIZED.—Subsection (b) of section 3 of the Florida National Forest Land Management Act of 2003 (Public Law 108-152; 117 Stat. 1919) is amended—

(1) by striking “and” at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19);

(3) by inserting after paragraph (17) the following new paragraph:

“(18) tract W-1979, located in Leon County consisting of approximately 114 acres, within T. 1 S., R. 1 W., sec. 25; and”; and

(4) in paragraph (19), as so redesignated, by striking “(17)” and inserting “(18)”.

(b) ADDITIONAL USE OF PROCEEDS.—Paragraph (2) of subsection (i) of such section (117 Stat. 1921) is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(C) acquisition, construction, or maintenance of administrative improvements for units of the National Forest System in the State.”.

(c) LIMITATIONS ON USE OF PROCEEDS.—Subsection (i) of such section is further amended by adding at the end the following new paragraphs:

“(3) GEOGRAPHICAL AND USE RESTRICTION FOR CERTAIN CONVEYANCE.—Notwithstanding paragraph (2), proceeds from the sale or exchange of the tract described in subsection (b)(18) shall be used exclusively for the purchase of inholdings in the Apalachicola National Forest.

“(4) RESTRICTION ON USE OF PROCEEDS FOR ADMINISTRATIVE IMPROVEMENTS.—Proceeds from any sale or exchange of land under this Act may be used for administrative improvements, as authorized by paragraph (2)(C), only if the land generating the proceeds was improved with infrastructure.”.

By Mr. FRIST (for himself, Mr. LUGAR, Mr. INOUE, and Mr. BROWNBACK):

S. 3667. A bill to promote nuclear nonproliferation in North Korea; to the Committee on Foreign Relations.

Mr. FRIST. Mr. President, last week, on the fourth of July, a day when Americans across the Nation were outside barbecuing, watching fireworks, and celebrating the 230th anniversary of our independence, North Korea launched seven long- and medium-range missiles into the Sea of Japan.

One of the missiles, the Taepodong-2, has a potential range of approximately 9,000 miles—placing the United States well within reach of attack by North Korea.

Kim Jong II's regime took this dangerous and provocative action despite repeated warnings not to do so from the United States, its close neighbors and participants in the six-party talks, and many others in the international community.

Last week's missile launches reminded us yet again of the threat posed by Kim Jong II's regime.

North Korea's pursuit of nuclear weapons and its possession of long-range missiles that could potentially strike our Nation is a grave threat to

the security of the American people—and to peace and stability in East Asia.

Since November 2005, North Korea has boycotted the six-party talks aimed at ending the regime's illicit nuclear weapons program. The combination of nuclear weapons and long-range missiles capable of threatening the American people is a threat that the United States should not tolerate.

For these reasons, I rise this morning to introduce the North Korea Nonproliferation Act of 2006. This legislation will add North Korea to the list of countries currently covered by the Iran and Syria Nonproliferation Act.

Under this bill, the President would be required to submit a report to Congress every 6 months listing all foreign persons believed to have transferred to or acquired from North Korea materials that could contribute to the production of missiles, nuclear weapons, and other weapons of mass destruction.

This legislation also authorizes the President to impose sanctions on all foreign persons identified on this list.

These sanctions include prohibitions on U.S. Government procurement from such persons and on the issuance of U.S. Government export licenses for exports to such persons.

Ultimately, the bill will lead to U.S. sanctions on foreign persons and foreign companies that transfer missile- and WMD-related items to North Korea, or that buy such items from North Korea.

The U.S. is already doing this with respect to transfers of these items to and from Iran and Syria under the Iran and Syria Nonproliferation Act. The time has come for us to treat transfers of these items to North Korea no less seriously than we already treat transfers of these same items to Iran and Syria.

We currently are working with our allies and partners at the U.N. Security Council to send a strong and unified message to the North Koreans that their latest provocations are unacceptable.

Japan has introduced a resolution that would prohibit the very same transfers to North Korea that this bill would sanction.

However, some at the UN, particularly China, are opposing the Japanese resolution. In fact, China and Russia have introduced a competing resolution that does not prohibit the transfer to North Korea of sensitive items that could contribute to that country's weapons programs—which is the critical element of the resolution that has been offered by Japan and supported by the U.S., the U.K., France, and others.

This bill will reinforce the crucial elements of Japan's Security Council resolution if that resolution is adopted. It will also serve as an alternative to that resolution in the event that China vetoes or otherwise sidetracks it.

The United States cannot allow Kim Jong II and the North Korean regime to obtain additional materials for its WMD and missile programs.

If the U.N. Security Council fails to act, the United States must fulfill its responsibility to protect the American homeland from the North Korean threat.

These items in the hands of Kim Jong II pose a direct threat to the American people, the people of the region, and peace and security in East Asia.

If we are in earnest about protecting the American homeland, then it is imperative that we prevent the North Korean regime from acquiring these dangerous materials. I thank Chairman LUGAR, as well as Senators INOUE and BROWNBACK, for cosponsoring this bill, and I urge the rest of my Senate colleagues to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3667

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “North Korea Nonproliferation Act of 2006”.

**SEC. 2. STATEMENT OF POLICY.**

In view of North Korea's manifest determination to proliferate missiles, nuclear weapons, and other weapons of mass destruction in violation of international norms and expectations, it should be the policy of the United States to impose sanctions on persons who transfer such weapons, and goods and technology related to such weapons, to and from North Korea in the same manner as persons who transfer such items to and from Iran and Syria currently are sanctioned under United States law.

**SEC. 3. AMENDMENTS TO IRAN AND SYRIA NONPROLIFERATION ACT.**

(a) REPORTING REQUIREMENTS.—Section 2 of the Iran and Syria Nonproliferation Act (Public Law 106-178; 50 U.S.C. 1701 note) is amended—

(1) in the heading, by inserting “, NORTH KOREA,” after “IRAN”; and

(2) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking “Iran, or” and inserting “Iran.”; and

(ii) by inserting after “Syria” the following: “, or on or after January 1, 2006, transferred to or acquired from North Korea” after “Iran”; and

(B) in paragraph (2), by inserting “, North Korea,” after “Iran”.

(b) CONFORMING AMENDMENTS.—Such Act is further amended—

(1) in section 1, by inserting “, NORTH KOREA,” after “IRAN”; and

(2) in section 5(a), by inserting “, North Korea,” after “Iran” both places it appears; and

(3) in section 6(b)—

(A) in the heading, by inserting “, NORTH KOREA,” after “IRAN”; and

(B) by inserting “, North Korea,” after “Iran” each place it appears.

**SEC. 4. SENSE OF CONGRESS ON INTERNATIONAL COOPERATION.**

Congress urges all governments concerned about the threat of proliferation involving North Korea to impose measures on persons involved in such proliferation that are similar to those imposed by the United States Government pursuant to the Iran, North

Korea, and Syria Nonproliferation Act, as amended by this Act.

## SUBMITTED RESOLUTIONS

SENATE RESOLUTION 530—CALLING ON PRESIDENT GEORGE W. BUSH AND OTHER LEADERS ATTENDING THE 2006 GROUP OF EIGHT (G-8) SUMMIT IN ST. PETERSBURG, RUSSIA, TO ENGAGE IN A FRANK DIALOGUE WITH THE PRESIDENT OF RUSSIA CONCERNING ACTIONS OF THE GOVERNMENT OF THE RUSSIAN FEDERATION THAT APPEAR INCONSISTENT WITH THE GROUP'S OBJECTIVES OF PROTECTING GLOBAL SECURITY, ECONOMIC STABILITY, AND DEMOCRACY, AND FOR OTHER PURPOSES

Mr. BIDEN (for himself, Mr. ALLEN, Mr. SARBANES, Mr. DODD, Mr. KERRY, and Mr. FRIST) submitted the following resolution; which was considered and agreed to:

S. RES. 530

Whereas the leaders of 6 major industrialized democracies including France, West Germany, Italy, Japan, the United Kingdom, and the United States, gathered in 1975 for a summit meeting in Rambouillet, France and for annual meetings thereafter under a rotating presidency known as the Group of Six (G-6);

Whereas the G-6 was established based on the mutual interest of its members in promoting economic stability, global security, and democracy;

Whereas, in 1976, membership of the G-6 was expanded to include Canada;

Whereas the members of the G-7 share a commitment to promote security, economic stability, and democracy in their respective nations and around the world;

Whereas Russia was integrated into the Group in 1998 at the behest of President William Jefferson Clinton as a gesture of appreciation to then-President of Russia Boris Yeltsin for pursuing reforms and assuming a neutral position with respect to the eastward expansion of North Atlantic Treaty Organization (NATO);

Whereas, in 2002, Russia was selected to hold the rotating presidency of the G-8 and to host the Summit of the G-8 in 2006;

Whereas the official G-8 statement issued on June 26, 2002, in Kananaskis, Canada regarding the selection of Russia as host of the 2006 Summit stated that the decision reflected "the remarkable economic and democratic transformation that has occurred in Russia in recent years and in particular under the leadership of President Putin";

Whereas in the intervening 4 years since Russia was selected to host the 2006 G-8 Summit, the Government of the Russian Federation has pursued policies that raise serious concerns about the commitment of the Government of the Russian Federation to upholding democratic values both at home and abroad;

Whereas the United States Department of State 2005 Country Report on Human Rights Practices noted that trends in Russia, including the "centralization of power in the executive branch . . . continuing corruption and selectivity in enforcement of the law, political pressure on the judiciary, and harassment of some non-governmental organizations (NGOs) [have] resulted in an erosion of the accountability of government leaders to the people" in Russia;

Whereas, in 2005, the independent non-governmental organization Freedom House reclassified Russia from "partly free" to "not free" in its global survey of political rights and civil liberties;

Whereas the Government of the Russian Federation has placed onerous restrictions and monitoring requirements on non-profit organizations operating in Russia that limit the ability of both Russians and non-Russians to create a vibrant civil society in the country;

Whereas the freedom of the media in Russia has been seriously compromised due to the Government of the Russian Federation's continuing control and censorship of major mass media outlets and efforts to obstruct the reporting of independent journalists;

Whereas regulators from the Ministry of Culture of the Government of the Russian Federation have reportedly threatened radio stations with revocation of their broadcast licenses if they continue airing material from the Voice of America (VOA) and Radio Free Europe/Radio Liberty (RFE/RL), thereby precipitating the largest decrease in the number of outlets for VOA and RFE/RL reporting since the end of the Cold War;

Whereas the Government of the Russian Federation has sought to interfere in the electoral processes and democratic governance of neighboring countries including Georgia and Ukraine;

Whereas Russia was the only member of the G-8 to applaud the outcome of fraudulent presidential elections in Belarus that were characterized by the Organization for Security and Cooperation in Europe as evidencing "a disregard for the basic rights of freedom of assembly, association, and expression";

Whereas the United States Commission on International Religious Freedom and other monitoring organizations have reported increased evidence of racism, anti-Semitism, nationalism, and xenophobia among segments of Russian society;

Whereas, in late 2005, Gazprom, a company majority owned and operated by the Government of the Russian Federation, insisted on a more than four-fold increase in the price charged for natural gas sold to Ukraine and subsequently shut off gas supplies to Ukraine, causing cascading energy shortages in many countries throughout Europe;

Whereas there have been interruptions in the supply by Russia of energy to Georgia and Moldova;

Whereas the March 2006 report of the Independent Task Force on Russia of the Council on Foreign Relations stated that "to protect the credibility of the G-8 at a time when many are questioning Russia's chairmanship, the United States should make clear that this role does not exempt Russian policies and actions from critical scrutiny";

Whereas the United States recognizes and applauds the proud history of achievement, creativity, and sacrifice of the people of Russia;

Whereas the United States seeks the development of Russia as a strong, responsible, democratic partner in promoting global peace and security; and

Whereas the United States believes that both the people of Russia and the Government of the Russian Federation will be shackled in their efforts to build a strong society domestically and contribute to the work of the international community so long as the Government of the Russian Federation fails to fully embrace the values of democracy: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) in order to preserve the integrity of the G-8 as a forum of the leading industrialized democracies of the world, President George W. Bush and other heads of state attending

the G-8 Summit should explicitly, frankly, and honestly engage Russian Federation President Vladimir Putin in a dialogue about the anti-democratic behavior of the Government of the Russian Federation;

(2) the United States and other democratic countries should reaffirm their support for civic and non-governmental organizations working to promote democracy and the rule of law in Russia;

(3) the Government of the Russian Federation should take action to ensure that it guarantees the full range of civil and political rights to its citizens, as it is obligated to do under the International Covenant on Civil and Political Rights;

(4) consistent with its obligations under the International Covenant, the Government of the Russian Federation should take steps to cease its interference with foreign news organizations, including the Voice of America and Radio Free Europe/Radio Liberty;

(5) the Government of the Russian Federation should take action to combat rising racism, anti-Semitism, and xenophobia in Russian society; and

(6) the United States and countries of the G-8 should reaffirm their support for new democracies on the borders of Russia and, where applicable, expedite their integration into Euro-Atlantic institutions to provide a bulwark for democracy in eastern Europe and the Caucasus.

## SENATE RESOLUTION 531—TO URGE THE PRESIDENT TO APPOINT A PRESIDENTIAL SPECIAL ENVOY FOR SUDAN

Mr. LIEBERMAN (for himself, Mr. BURNS, Mr. REID, Mr. BOND, Mrs. MURRAY, Mr. LAUTENBERG, Mr. PRYOR, Mr. TALENT, Ms. MIKULSKI, Ms. SNOWE, and Ms. CANTWELL) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 531

Whereas, on July 22, 2004, the Senate and House of Representatives declared that the atrocities occurring in the Darfur region of Sudan are genocide;

Whereas, on September 9, 2004, Secretary of State Colin L. Powell stated before the Committee on Foreign Relations of the Senate, "When we reviewed the evidence compiled by our team, along with other information available to the State Department, we concluded that genocide has been committed in Darfur and that the Government of Sudan and the [Janjaweed] bear responsibility—and genocide may still be occurring";

Whereas, on September 21, 2004, in an address before the United Nations General Assembly, President George W. Bush affirmed the finding of Secretary of State Powell and stated, "At this hour, the world is witnessing terrible suffering and horrible crimes in the Darfur region of Sudan, crimes my government has concluded are genocide";

Whereas various nongovernmental organizations have estimated that up to 400,000 people have died in Darfur from combat, hunger, and disease since February 2003;

Whereas prominent human rights groups, think tanks, and members of Congress have called for the appointment of a Presidential Special Envoy for Sudan;

Whereas Deputy Secretary of State Robert Zoellick, who had acted as the lead negotiator and coordinator for the United States Government toward Darfur, resigned from that position on June 19, 2006;

Whereas Ambassador Zoellick was instrumental in securing the peace agreement among the Government of Sudan and rebel